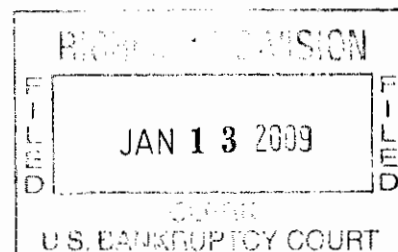


WAYNE R. TERRY - STATE BAR NO. 134685  
**HEMAR, ROUSSO & HEALD, LLP**  
15910 Ventura Boulevard, 12th Floor  
Encino, California 91436-2829  
(818) 501-3800 telephone  
(818) 501-2985 facsimile

Attorneys for  
M & M Berman Enterprises



**UNITED STATES BANKRUPTCY COURT**

**EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION**

In Re:	)	Case No. 08-35653-KRH
	)	
CIRCUIT CITY STORES, INC.,	)	Chapter 11
	)	
Debtor.	)	<b>SUPPLEMENTAL NOTICE OF CURE</b>
	)	<b>AMOUNTS KNOWN TO LESSOR</b>
	)	<b>M&amp;M BERMAN ENTERPRISES</b>
	)	<b>(STORE NO. 1602) AND DEMAND FOR</b>
	)	<b>CURE OF KNOWN AND UNKNOWN</b>
	)	<b>LEASE DEFAULTS AS A CONDITION</b>
	)	<b>OF ANY PURPORTED ASSUMPTION</b>
	)	
	)	<b>Hearing Date: January 16, 2009</b>
	)	<b>Hearing Time: 10:00 a.m.</b>
	)	
	)	
	)	

M&M Berman Enterprises ("Lessor") hereby submits its SUPPLEMENTAL NOTICE OF CURE AMOUNTS KNOWN TO LESSOR M&M BERMAN ENTERPRISES (STORE NO. 1602) AND DEMAND FOR CURE OF KNOWN AND UNKNOWN LEASE DEFAULTS AS A CONDITION OF ANY PURPORTED ASSUMPTION ("Supplemental Cure Notice") in

ORIGINAL

connection with the proposed sale of assets of the debtors herein (collectively, "Debtor"), and any purported assumption and assignment of Lessor's leases, and respectfully represents as follows:

1. Lessor previously filed its cure demand in connection with Debtor's store designated No. 4510 in Lubbock, Texas ("Lubbock Property") and Debtor's store designated No. 1602 in Tyler, Texas ("Tyler Property"). Lessor lacked certain information regarding tax defaults on the Tyler Property, and hereby supplements its demand with that information.

2. Monthly Base Rent on the Tyler Property is \$19,195 for the initial term under the applicable Lease.

3. Rent Defaults. Base Rent defaults under the Tyler Property Lease equal not less than \$25,529.35 for October and a portion of November, 2008. Lessor is unable to calculate Additional Rent owing under the Leases, since Debtor is in possession of the records from which the payment would be calculated, and has not shared its information with Lessor. Lessor reserves its right to have and receive Additional Rent to the extent any Additional Rent is now, or later becomes, owed, and to audit the records of Debtor and any purported assignee for purposes of calculating same.

4. Tax Defaults. Taxes are owed but unpaid by Debtor with respect to the Tyler Property in an amount not less than \$29,973.52, with additional penalties arising in February and thereafter if the taxes are not paid in January, 2009. See the "2008 Tax Statement" attached

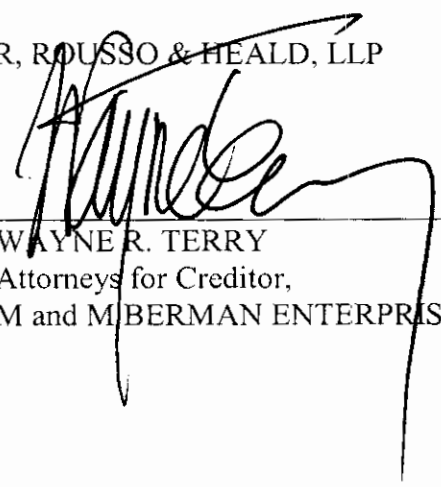
as Exhibit "D."

5. Minimum Cure, Tyler Property. Based on the information available to Lessor, **total known cure amounts as to the Tyler Property equal not less than \$55,502.87** as set forth hereinabove, and such amount may be higher as a result of tax, maintenance, insurance, Additional Rent, attorneys fees, damages to the premises, and other triple net or similar claims existing but unknown to the Lessor. Lessor demands as a condition of any assignment that the cure amount be paid in full immediately, and that the assignee acknowledge its responsibilities for the other enumerated potential claims according to the terms of the Lease.

Dated: January 13, 2009

HEMAR, ROUSSO & HEALD, LLP

By: \_\_\_\_\_

  
WAYNE R. TERRY  
Attorneys for Creditor,  
M and M BERMAN ENTERPRISES



January 2<sup>nd</sup>, 2009

CIRCUIT CITY PAVILION  
724 WSW LOOP 323  
TYLER, TX 75701

Circuit City Store #01602

**SUBJECT: Circuit City Stores, Inc. and affiliated debtors  
Chapter 11 Bankruptcy – Lead Case Number 08-35653  
Notice of non-payment of pre-petition tax**

To Whom It May Concern:

Please be advised that on November 10, 2008 (the "Petition Date"), Circuit City Stores, Inc. and 17 affiliated debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Bankruptcy Code in the Bankruptcy Court of the Eastern District of Virginia (the "Bankruptcy Court").

All or part of the attached real estate tax bill which we have received, and which may be currently due, has been classified as a "pre-petition" obligation. Generally the Debtors are not allowed to make payments based on pre-petition liabilities. However, a payment for the "post-petition" period, that period after and including November 10, 2008, can be paid by Circuit City. Accordingly, this letter is to advise that no payment is enclosed at this time. Hence, it has become the landlord's obligation to pay these taxes. For reimbursement for the "post-petition" amount, please direct all billing to Circuit City Stores, Inc. Attention: Tax Department, PO Box 42304, Richmond, VA 23242.

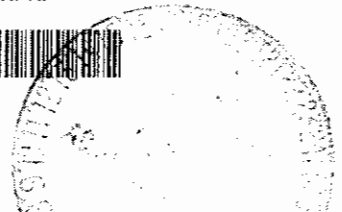
You have or will receive an official notice of the Debtor's Chapter 11 filing as well as subsequent notices. These notices will include instructions on how to file a claim for any "pre-petition" amounts owing that have not been paid. Additional information is also available on the Debtor's noticing agent's website at [www.kccllc.com](http://www.kccllc.com).

If you have any questions, please contact us at 804-486-2265.

Respectfully submitted,

Circuit City Stores, Inc.  
Tax Department

Enc: Original tax bill



RETURN THIS PORTION WITH YOUR PAYMENT

	MONTH	PENALTY	AMOUNT DUE	TOTAL AMOUNT DUE
	OCT	.00	29,973.52	29,973.52
	NOV	.00	29,973.52	
	DEC	.00	29,973.52	
	JAN	.00	29,973.52	
M & M BERMAN ENTERPRISES % ADAMS & POLUNSKY ONE FORUM, SIXTEENTH FLR 8000 I H 10 WEST SAN ANTONIO TX 78230-3892	7% FEB	2,098.15	32,071.67	NOTE: PENALTY AND INTEREST IF NOT PAID BY:  01/31/2009
	9% MAR	2,697.63	32,671.15	
	11% APR	3,297.08	33,270.60	
	13% MAY	3,896.55	33,870.07	
	15% JUN	4,496.04	34,469.56	

▼ DETACH ▼

150000129300004040 2008 133119

TO RECEIVE A RECEIPT, ENCLOSE A SELF-ADDRESSED STAMPED ENVELOPE.

RETURN TOP PORTION OF STATEMENT WITH PAYMENT TO INSURE PROPER CREDIT.

TO MAKE A PAYMENT BY CREDIT CARD OR ELECTRONIC CHECK (AVAILABLE AFTER NOV 1ST) GO TO TAX.SMITH-COUNTY.COM SELECT PROPERTY TAX ON-LINE. THERE WILL BE A CONVENIENCE FEE OF 2.50% FOR CREDIT CARDS AND \$2.00 FOR ACH.

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND YOU OCCUPY THE PROPERTY DESCRIBED IN THIS DOCUMENT AS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE SMITH COUNTY APPRAISAL DISTRICT OFFICE AT (903) 510-8600 REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.

PARTIAL PAYMENTS ARE ACCEPTED. THE SMITH COUNTY TAX OFFICE DOES NOT DETERMINE LEGAL OWNERSHIP OF PROPERTY, ESTABLISH APPRAISED VALUE OF PROPERTY, GRANT EXEMPTIONS OR ADOPT TAX RATES.

PLEASE REMIT TO	PERSONAL PROPERTY	TAX STATEMENT				RECEIPT NUMBER	
SARY B. BARBER SMITH COUNTY TAX OFFICE P O BOX 2011 PHONE (903) 590-2920	0					2008	133119
	MARKET VALUE LAND	MARKET VALUE IMPROVEMENTS	AGRICULTURE VALUE	NON-AGR CULTURE VALUE	TAXABLE VALUE BEFORE EXEMPTIONS		
	889.100	748.700	0	889.100	1,637.800		

PROPERTY DESCRIPTION

LIMITED TXBL VALUE--> 1,637.800

PROPERTY ACCOUNT NUMBER 150000129300004040 PROP TYPE-F10 RATIO OF ASSESSMENT, 100%

PAVILLION ADDN  
LT 4D  
BL 1293

AGENT- 41B

MAP NUMBER C143A

LOC-004910 S BROADWAY

ACRES- 1.620 2008 133119

TAXING ENTITY	SALES TAX	SEAL	STATEMENT	PROPERTY	TAXABLE VALUE	SEAL	TAX DUE
SMITH COUNTY	0	0	0	0	1,637,800	.288940	4,732.26
CITY OF TYLER	0	0	0	0	1,637,800	.204000	3,341.11
TYLER ISD	0	0	0	0	1,637,800	1.210000	19,817.38
TYLER JUNIOR COLLEGE	0	0	0	0	1,637,800	.127169	2,082.77
SMITH COUNTY		SALES	TAX REDUCED YOUR	LEVY -	**2,216.75		

	MONTH	PENALTY	AMOUNT DUE	TOTAL AMOUNT DUE
	OCT	.00	29,973.52	29,973.52
	NOV	.00	29,973.52	
	DEC	.00	29,973.52	
	JAN	.00	29,973.52	
M & M BERMAN ENTERPRISES % ADAMS & POLUNSKY ONE FORUM, SIXTEENTH FLR 8000 I H 10 WEST SAN ANTONIO TX 78230-3892  903 N. MAPLE DR Beverly Hills, CA 90210	7% FEB	2,098.15	32,071.67	NOTE: PENALTY AND INTEREST IF NOT PAID BY:  01/31/2009
	9% MAR	2,697.63	32,671.15	
	11% APR	3,297.08	33,270.60	
	13% MAY	3,896.55	33,870.07	
	15% JUN	4,496.04	34,469.56	

ACCT# 150000129300004040 M & M BERMAN ENTERPRISES STMT# 2008 133119  
A COMPARISON OF TAXES FOR THE CURRENT TAX YEAR VERSUS THE PRECEDING 5 YEARS

YEAR-ENTITIES	APPRAISED VALUE	TAXABLE VALUE	TAX RATE	ENTITY TAX	% CHANGE FROM PRECEDING YEAR
2008					
SMITH COUNTY	1,637,800	1,637,800	.0028894	4,732.26	N/A
CITY OF TYLER	1,637,800	1,637,800	.0020400	3,341.11	N/A
TYLER ISD	1,637,800	1,637,800	.0121000	19,817.38	N/A
TYLER JUNIOR COLLEGE	1,637,800	1,637,800	.0012716	2,082.77	N/A
2007					
SMITH COUNTY	1,637,800	1,637,800	.0028894	4,732.26	7.82
CITY OF TYLER	1,637,800	1,637,800	.0019900	3,259.22	-10.92
TYLER ISD	1,637,800	1,637,800	.0121500	19,899.27	-16.25
TYLER JUNIOR COLLEGE	1,637,800	1,637,800	.0012716	2,082.77	.09
2006					
SMITH COUNTY	1,635,900	1,635,900	.0026827	4,388.71	8.55
CITY OF TYLER	1,635,900	1,635,900	.0022365	3,658.80	-3.39
TYLER ISD	1,635,900	1,635,900	.0148800	24,342.19	-1.52
TYLER JUNIOR COLLEGE	1,635,900	1,635,900	.0012720	2,080.86	2.99
2005					
SMITH COUNTY	1,588,770	1,588,770	.0025447	4,042.94	2.99
CITY OF TYLER	1,588,770	1,588,770	.0023837	3,787.23	-1.33
TYLER ISD	1,588,770	1,588,770	.0154020	24,470.24	8.21
TYLER JUNIOR COLLEGE	1,588,770	1,588,770	.0012716	2,020.42	2.99
2004					
SMITH COUNTY	1,542,500	1,542,500	.0025447	3,925.120	5.00
CITY OF TYLER	1,542,500	1,542,500	.0024885	3,838.59	5.00
TYLER ISD	1,542,500	1,542,500	.0146600	22,613.05	4.71
TYLER JUNIOR COLLEGE	1,542,500	1,542,500	.0012716	1,961.58	9.18
2003					
SMITH COUNTY	1,469,030	1,469,030	.0025447	3,738.24	
CITY OF TYLER	1,469,030	1,469,030	.0024885	3,655.75	
TYLER ISD	1,469,030	1,469,030	.0147000	21,594.74	
TYLER JUNIOR COLLEGE	1,469,030	1,469,030	.0012230	1,796.62	

A COMPARISON OF SCHOOL MAINTENANCE AND OPERATIONS RATES FOR PRECEDING 5 YEARS

TYLER ISD

YEAR	M&O RATE	M&O TAX	PCT CHG	I&S RATE	I&S TAX	PCT CHG
2008	.0102470	16,782.53	-1.48	.0018530	3,034.85	
2007	.0102970	16,864.42	-20.88	.0018530	3,034.85	.27
2006	.0130300	21,315.77	-5.81	.0018500	3,026.42	64.93
2005	.0142450	22,632.03	2.99	.0011570	1,838.21	187.15
2004	.0142450	21,972.91	4.37	.0004150	640.14	17.77
2003	.0143300	21,051.19		.0003700	543.55	

ESTIMATE OF SCHOOL DISTRICT MAINTENANCE AND OPERATIONS PROPERTY TAX SAVINGS ATTRIBUTABLE TO HOUSE BILL NO. 1, ACTS OF THE 79TH LEGISLATURE, 3RD CALLED SESSION, 2006, AND APPROPRIATIONS OF STATE FUNDS BY THE 80TH LEGISLATURE.  
2005 M&O RATE X 2007 TXBLE VALUE = 22,632.02 2007 M&O RATE X 2007 TXBLE VALUE = 16,864.42 SAVINGS = 5,767.60

**CERTIFICATE OF SERVICE**

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen and not a party to the within action. My business address is Hemar, Rouso & Heald, , LLP ("the business") 15910 Ventura Blvd., 12<sup>th</sup> Floor, Encino, CA 91436-2829.

I am readily familiar with the business's practice for collection and processing of correspondence for mailing with the United States Postal Service; such correspondence would be deposited with the United States Postal Service the same day of deposit in the ordinary course of business.

On January 13, 2009, I served the following document described as **SUPPLEMENTAL NOTICE OF CURE AMOUNTS KNOWN TO LESSOR M&M BERMAN ENTERPRISES (STORE NO. 1602) AND DEMAND FOR CURE OF KNOWN AND UNKNOWN LEASE DEFAULTS AS A CONDITION OF ANY PURPORTED ASSUMPTION** on the interested parties in this action by placing a true and correct copy thereof in a sealed envelope addressed as follows:

**PLEASE SEE ATTACHED SERVICE LIST**

XX **(By First Class Mail)** At my business address, I placed such envelope for deposit with the United States Postal Service by placing them for collection and mailing on that date following ordinary business practices.

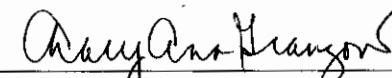
\_\_\_ **(Via Hand Delivery)** I delivered such envelope(s) by hand to the offices of the addressees.

\_\_\_ **(Via E-Mail)** I caused such copies to be emailed to the person(s) set forth.

\_\_\_ **(State)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

XX **(Federal)** I declare under penalty of perjury under the laws of the United States of America that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on January 13, 2009, at Encino, California.

  
MARY ANN GRANZOW

**SERVICE LIST**

*In re Circuit City Stores, Inc., Case No. 08-35653-KRH*

**Office of the United States Trustee**

W. Clarkson McDow, Jr.  
Office of the U.S. Trustee  
701 E. Broad Street, Suite 4304  
Richmond, VA 23219

**Debtor's Counsel**

Daniel F. Blanks  
Douglas M. Foley  
McGuire Woods LLP  
9000 World Trade Center  
101 W. Main Street  
Norfolk, VA 23510

Dion W. Hayes  
Joseph S. Sheerin  
Sarah Beckett Boehm  
McGuire Woods LLP  
One James Center  
901 E. Cary Street  
Richmond, VA 23219

Gregg M. Galardi  
Ian S. Fredericks  
Skadden, Arps, Slate, Meagher & Flom LLP  
One Rodney Square  
P.O. Box 636  
Wilmington, DE 19899

Chris L. Dickerson  
Skadden, Arps, Slate, Meagher & Flom LLP  
333 West Wacker Drive  
Chicago, IL 60606

**Debtor**

Circuit City Stores, Inc.  
9950 Maryland Drive  
Richmond, VA 23233



RICHARD P. HEMAR  
MARTIN J. ROUSSO  
DANIEL A. HEALD  
STEPHEN E. JENKINS  
WAYNE R. TERRY  
  
MARY A. LAZARAN  
ROBERT V. MCKENDRICK\*  
MARTINA A. PORTER  
SANDRA I. TIBERI†  
JENNIFER W. CRASTZ  
JEANNINE DEL MONTE-KOWAL  
PETER J. VEIGUELA\*\*  
NATHAN H. HARRIS  
IRWIN M. WITTLIN  
RAFFI KHATCHADOURIAN  
PAUL N. ANDONIAN†  
NINETTE R. WASSEF  
PAMELA L. COX  
EDWARD S. KIM  
MATTHEW R. RUNGAITIS††  
DAVID M. KRITZER

**HEMAR, ROUSSO & HEALD, LLP**  
ATTORNEYS AT LAW  
15910 VENTURA BOULEVARD  
12<sup>TH</sup> FLOOR  
ENCINO, CALIFORNIA 91436-2829  
(818) 501-3800  
FAX (818) 501-2985

\*ALSO ADMITTED IN UTAH  
ALSO ADMITTED IN NEVADA  
\*\*ALSO ADMITTED IN ILLINOIS  
††ALSO ADMITTED IN ARIZONA

IN REPLY REFER TO:

January 13, 2009

**VIA OVERNIGHT DELIVERY**

Clerk of Court  
U.S. BANKRUPTCY COURT  
Eastern District of Virginia  
701 East Broad Street, Suite 4000  
Richmond, VA 23219

In Re: **Circuit City Stores, Inc.**  
**Chapter 11, Case No. 08-35653-KRH**

Dear Clerk of Court:

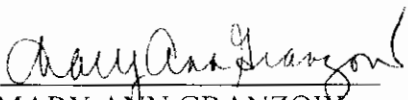
Enclosed please find original and three copies of **SUPPLEMENTAL NOTICE OF CURE AMOUNTS KNOWN TO LESSOR M&M BERMAN ENTERPRISES (STORE NO. 1602) AND DEMAND FOR CURE OF KNOWN AND UNKNOWN LEASE DEFAULTS AS A CONDITION OF ANY PURPORTED ASSUMPTION**, for filing in the above-captioned matter. Please return a conformed copy to our office in the self-addressed stamped envelope provided herein for your convenience.

Additionally, please kindly forward a courtesy to chambers of Judge KRH.

Thank you in advance for your assistance.

Very truly yours,

HEMAR, ROUSSO & HEALD, LLP

By:   
MARY ANN GRANZOW  
Assistant to Wayne R. Terry, Esq.

WRT/mag  
enclosures

PAUSERS\WTerry\CASES\Resnikoff, Bruce\Ltr to Clerk 1-13-09.wpd